



State of the City of Horseshoe Bay
Steve Jordan, Mayor
October 2016

Transparency and accountability are the foundation of a well-managed and open government. The Mayor and Council members of Horseshoe Bay have made these two issues our top priorities.

Controlled growth is our goal to preserve the life style our citizens have chosen. We have approximately 6800 full and part time residents following the construction of 64 new homes and the annexation of the Hills, Golfview Estates and the Quail Ridge subdivisions. Horseshoe Bay now consists of 10,500 acres or approximately 16.4 square miles. In addition, a successful effort was completed to protect our borders obtaining Development Agreements and Conservation Easements to assure control on both sides of Hwy 71. Property tax valuations reached \$1.8 billion, an increase of \$111,005,056 or 6.57%. Our budget for 2017 will raise more total property taxes than last year's budget by \$464,250 which is a 11.11% increase and of that amount \$87,805 is tax revenue to be raised from new property added to the tax role this year.

The tax rate has been held at \$25 cents per \$100 in valuation since 2010. However, the Council chose to raise the tax rate a penny to 26 cents per \$100 in valuation for 2017 to meet the growing infrastructure needs. The City's bond rating is the very favorable AA+, a rating which places us among the very top cities across the country and affords us favorable interest rates as needed. In September we issued \$3,770,000 Combination Tax and Revenue Certificates of Obligation at an interest rate of 1.96% which will be used to purchase two new fire trucks and the expansion of our West Water Treatment Plant. As of September 30, 2016 the General Fund had the required reserve for six months operating expenses or \$2.6 million, an expectation for the most fiscally sound municipalities.

Our city continues to replace and expand our utility infrastructure. In a few years we will be required to expand the capacity of our Waste Water Treatment Plant. We are pleased to announce the completion of the Golf Course Irrigation Agreement, a waste water (effluent) distribution agreement with the Horseshoe Bay Resort for irrigation of their four golf courses at no cost to the city which

virtually eliminates the need to build another lined holding pond at a cost estimated at \$2 million.

The City of Horseshoe Bay has a commitment to its Mission Statement “To serve and protect our citizens while preserving our heritage and planning for its future” As a part of its preparation for the future, in 2015 the City Council began the process of developing an update to our comprehensive long range plan to guide actions and decisions for the city which align to this mission. In September, 2016 the City of Horseshoe Bay’s Long Range Plan emerged from extensive review of external and internal functions and input from all stakeholders. At its core lies the work from the 2015 -2016 nine member Long Range Planning Advisory Committee (LRPAC).The recommendations of the LRPAC report reflect direct interviews, surveys and focus group input from the varied communities within Horseshoe Bay. The City of Horseshoe Bay’s Long Range Plan and the Implementation Guide was adopted by the City Council in October 2016 and are posted on our website. Also posted are the extensive survey and analysis data provided by the LRPAC report that informed the plan. The adopted Long Range Plan will serve as the compass and will assist this and future Councils in fulfilling the City’s Mission Statement.

In January we completed our 57 mile Street Improvement project which began in October 2010 at a cost of \$24.7 million with an average cost of \$431,000 per mile without a tax increase. Of the 24.7 million, \$11.21 million came from the “street portion” of the 2011 and 2014 Certificates of Obligation. The remaining balance of \$13.49 million came from other sources of cash on hand. This project has proven to be the catalyst that has reinvigorated our community.

Last year we introduced the city’s new website www.horseshoe-bay-tx.gov which is now not only a useful method to stay informed using “Notify Me” but provides the posting of all agendas, packets and minutes for Council and Planning & Zoning Commission meetings in advance of the scheduled meetings.

Our drought conditions have dramatically improved with the rain earlier this year to fill our lakes and bring our water supply back to normal, however we caution all residents to continue to be responsible. While the LCRA has lifted the drought restrictions, our Council voted to remain in Stage 2 which permits watering twice a week to stay proactive in our water conservation effort.

The Property Owners Association/POA Presidents Forum representing the now 12 POAs with the addition of the Hills, continues to be an excellent conduit to reach all residents with the notes distributed to POA members following the quarterly meeting. The suggestions and ideas brought forth serve as a sounding board for POA Presidents, our staff and the Mayor.

As part of our efforts to increase communication and transparency, the city instigated a new outreach program to provide deeper knowledge into city functions. The first group of the Citizen's Academy HSB 101 began in October 2016. Nine weekly sessions will be held to share understandings of each department within the city. At the end of the program, graduates will be valuable resources to their neighbors in clarifying city activities. Hopefully, this will also grow a cadre of citizens interested in future service roles in the city. This program will be repeated in the Spring (twice annually) for future interested participants.

Good News!

As I am sure we will all agree, residents of Horseshoe Bay are fortunate to enjoy the amenities provided by the Horseshoe Bay Resort. On August first of this year, The Horseshoe Bay Resort retained the services of Crescent Hotels and Resorts, a nationally recognized award-winning operator to oversee the daily destinations and amenity facilities operations. Horseshoe Bay Development will be planning and overseeing the upcoming renovation, expansion, reopening and construction of new amenities based on ownership's ability to raise additional equity. The major improvements and projects will begin late 2016 and continue over the next 36 months. Included will be two new clubhouses at Cap Rock and Summit Rock, outdoor climate controlled pavilions, and the reopening of the former Waterfront Pub and Eatery.

Another sign of prosperity is the continued development of need specific businesses. We welcome the addition of The First Capital Bank of Texas headquartered in Midland which opened its doors in a beautifully restructured building on Hwy 2147 across from the entrance of Bay West Blvd. We are fortunate to have an active Horseshoe Bay Business Alliance to support existing and new businesses aligned to the lifestyle goals of our community. In addition, they work to enhance the quality of life through community activities such as the summer Boogie at the Bay series, holiday events and monthly open coffee conversations.

It has been my privilege to serve as Mayor with five outstanding Council members and staff: Mayor-Pro Tem Craig Haydon, David Pope, Jerry Gray, Cynthia Clinesmith and Reagan Lambert. After serving two terms David Pope has chosen not to stand for reelection. He made significant contribution and his financial prowess will be missed. Our dedicated staff of 78 employees is led by City Manager, Stan Farmer. After 12 years with the city and serving as City Secretary since 2008 Teresa Moore chose to retire effective 9/30/16.

As your Mayor, my guiding principal has been to preserve the quality of life we enjoy with a minimum of expenses and taxes. Horseshoe Bay's future is bright. The challenge that lies ahead is to manage and control the development to protect our current lifestyle and the character of the community that brought us all here.